



*State and
Consumer Services Agency*

Anna M. Caballero
Secretary

African American Museum
Building Standards Commission
Consumer Affairs
Expo Park
Fair Employment & Housing
Fair Employment & Housing Commission
Franchise Tax Board
General Services
Privacy Protection
Science Center
Seismic Safety Commission
Personnel Board
Public Employees' Retirement System
Teachers' Retirement System
Victim Compensation &
Government Claims Board

April 16, 2012

Mr. Stuart Drown
Executive Director
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

Re: Governor's Reorganization Plan
Written Testimony from State and Consumer Services Agency

Dear Mr. Drown:

Thank you for the opportunity to testify before the Commission regarding the Governor's Reorganization Plan. The following is what I intend to say at the hearing.

Good morning Chair Hancock and Commissioners. My name is Anna Caballero and I am Secretary of the State and Consumer Services Agency. Thank you for the opportunity to appear before you today, it's an honor to share information with you about the Governor's Reorganization Plan. First let me say that I am here to testify in support of the proposal. As you know, Governor Brown is committed to right sizing state government in order to reduce inefficiencies, eliminate redundancies and save taxpayers money. One of the major goals of the Governor's Reorganization Plan is to restructure the State and Consumer Services Agency as it is currently configured, so that the departments that report to the Agency have a common mission, a common structure and a cohesive identity.

Under the current structure, there are 15 diverse departments or Commissions that report to the State and Consumer Services Agency. The departments include the Franchise Tax Board, the Building Standards Commission, the Seismic Safety Commission, Victims Compensation and Government Claims Board, CalPERS and CalSTRS, the Department of Fair Employment and Housing, the Fair Employment and Housing Commission, the Department of General Services, the Department of Consumer Affairs, the State Personnel Board, the Office of Privacy Protection, the Science Center, the African American Museum and the Exposition Park Management. As you can see by this list, there is little consistency or thematic flow to the missions of these departments, and the Reorganization Plan seeks to address the general lack of cohesion and logical organization of the current Agency structure.

The State and Consumer Services Agency would essentially cease to exist and it would be divided into two new Agencies under the Governor's Reorganization Plan. I will discuss the proposed Business and Consumer Services Agency, which is one of the new Agencies. The proposed Agency would include the Department of Fair Employment and Housing, the Alcoholic Beverage Control and the Alcoholic Beverage Control Appeals Board, the Horse Racing Board, and the Seismic Safety Commission. Additionally a new Department of Business Oversight would be created which would include a merger of the Department of Corporations and the Department of Financial Institutions. This new Department of Business Oversight would consolidate the State's regulation of financial businesses.

Another consolidation that is proposed is the Department of Housing and Community Development and the California Housing Finance Agency. This merger would occur within the Department of Housing and Community Development and the functions of both to assist in developing and financing affordable housing and administering general obligation bond programs would continue.

And finally, the Agency would also include the Department of Consumer Affairs with its 36 boards, bureaus, committees and commissions that license 2.5 million Californians in more than 255 professions. DCA's core mission is to protect the public and the consumer through the licensing of professionals; from cosmetologists, to doctors and psychologists, to auditors.

But several regulated professions are outside of DCA, including the current Departments of Real Estate, Real Estate Appraisers, Structural Pesticide Control Board, and the Board of Chiropractic Examiners. As part of the reorganization, these entities would all be moved into the Department of Consumer Affairs. There is a logical and practical synergy to placing these regulatory entities all within one Department. In particular, DCA's infrastructure would be better able to support the licensing of these professionals with more coordination, efficiency and shared administrative services.

Benefits of a Business and Consumer Services Agency:

- Makes it easier for the public to find information about the businesses and professionals with whom they interact.
- Improves consumer protection by placing the entities charged with protecting consumers under a single agency.
- Allows for better services, consistency, and efficiency by facilitating shared administrative functions and shared expertise in areas such as automated systems, investigative practices, licensing, and legal processes.

In summary, we support the Governor's Reorganization Plan and believe that it makes logical sense and that it can help the state to achieve the operational efficiencies that we need to reduce costs, without sacrificing customer service. Thank you again for this opportunity. I am prepared to answer any questions you might have.

Sincerely,



Anna M. Caballero
Secretary, State and Consumer Services Agency